

Senate File 2061 - Introduced

SENATE FILE 2061

BY MATHIS

A BILL FOR

1 An Act providing for a state employee retirement incentive
2 program and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. 2018 STATE EMPLOYEE RETIREMENT INCENTIVE
2 PROGRAM.

3 1. Definitions. As used in this section, unless the context
4 provides otherwise:

5 a. "Eligible employee" means an employee or qualified
6 employee who has filed a completed application for benefits
7 with the Iowa public employees' retirement system created in
8 chapter 97B in which the employee's or qualified employee's
9 intended first month of entitlement, as defined in section
10 97B.1A, is no later than the month following the date
11 eligible employees shall be required to agree to separate
12 from employment with the state as provided in subsection 2,
13 paragraph "e".

14 b. "Eligible enrollment date" means the date, established
15 by the department that is at least forty-five days, but no
16 later than sixty days, after the effective date of this Act and
17 that is not a weekend or holiday.

18 c. "Employee" means an employee, as defined in section
19 97B.1A, who is employed within the executive branch of this
20 state. However, "employee" does not mean a qualified employee,
21 an elected official, or an employee eligible for the sick leave
22 conversion program as described in section 70A.23, subsection
23 4.

24 d. "Employer" means a department, agency, board, or
25 commission of the state that employs individuals.

26 e. "Health insurance contribution benefit" means the amount
27 representing the monthly contribution cost of an affordable
28 group health care plan offered by the state, as determined by
29 the department of administrative services, providing coverage
30 to the participant and, if applicable, the participant's spouse
31 for the applicable period of coverage.

32 f. "Participant" means a person who timely submits an
33 election to participate, is accepted to participate, and does
34 participate, in the state employee retirement incentive program
35 established under this section.

1 g. "Program" means the state employee retirement incentive
2 program established under this section.

3 h. "Qualified employee" means an employee of a judicial
4 district department of correctional services, an employee in
5 the office of a statewide elected official, or an employee of
6 the state board of regents if the board elects to participate
7 in the program.

8 i. "Years of service incentive benefit" means an amount
9 equal to, for eligible employees with at least ten years of
10 state employment service, one thousand dollars for each year of
11 state employment service up to a maximum of twenty-five years
12 of state employment service. For purposes of this paragraph,
13 "state employment service" means service, as defined in section
14 97B.1A, for which the employer is the state.

15 2. Program eligibility. To become a participant in the
16 program, an eligible employee shall do all of the following:

17 a. Submit by the eligible enrollment date, a written
18 application, on forms prescribed by the department of
19 administrative services, seeking participation in the program.

20 b. Acknowledge in writing the eligible employee's
21 agreement to voluntarily terminate employment in exchange
22 for participation in the state employee retirement incentive
23 program as provided in this section.

24 c. Agree to waive all rights to file suit against the state
25 of Iowa, including all of its departments, agencies, and other
26 subdivisions, based on state or federal claims arising out of
27 the employment relationship.

28 d. Acknowledge, in writing, that participation in the
29 program waives any right to accept any employment with the
30 state other than as an elected official on or after the date
31 the eligible employee separates from employment.

32 e. Agree to separate from employment with the state no
33 later than thirty days after the eligible enrollment date as
34 established in this subsection.

35 3. Participant acceptance. An eligible employee shall be

1 accepted into the program if the department of administrative
2 services determines that the eligible employee meets the
3 requirements to be eligible to participate in the program.

4 4. Program benefits. Upon acceptance to participate in the
5 program and separation from employment with the state no later
6 than the date as determined in subsection 2, paragraph "e", a
7 participant shall receive the following benefits:

8 a. During November 2018, and each November thereafter for a
9 total of five years, the state shall pay to the participant,
10 or the participant's beneficiary, an amount equal to twenty
11 percent of the years of service incentive benefit for that
12 participant.

13 b. For the period of time commencing with the first month
14 in which a participant is ineligible for or exhausts the
15 participant's available remaining value of sick leave used
16 to pay the state share for the participant's continuation of
17 state group health insurance coverage as provided in section
18 70A.23, subsection 3, and ending five years from the date
19 the participant separates from employment with the state as
20 provided in this section, the participant, or the participant's
21 surviving spouse, shall be entitled to receive a health
22 insurance contribution benefit to be used by the participant
23 or the participant's beneficiary to pay the cost for eligible
24 state group health insurance. The department of administrative
25 services shall determine what health insurance plans constitute
26 eligible state group health insurance for purposes of this
27 paragraph "b".

28 5. Reemployment.

29 a. An employer shall not offer permanent part-time
30 employment, permanent full-time employment, temporary
31 employment, or retention as an independent contractor to a
32 participant.

33 b. This section shall not preclude a participant from
34 membership on a board or commission.

35 6. Program administration and reporting.

1 a. The department of administrative services shall
2 administer the program and shall adopt administrative rules
3 to administer the program. The department of administrative
4 services and the department of management may adopt rules on an
5 emergency basis under section 17A.4, subsection 3, and section
6 17A.5, subsection 2, paragraph "b", to implement this section
7 and the rules shall be effective immediately upon filing unless
8 a later date is specified in the rules.

9 b. Records of the Iowa public employees' retirement system
10 shall be released for the purposes of administering and
11 monitoring the program subject to the requirements of section
12 97B.17, subsection 5.

13 c. The department of administrative services, in
14 collaboration with the department of management, shall present
15 an interim report to the general assembly, including copies to
16 the legislative services agency and the fiscal committee of
17 the legislative council, by December 1, 2018, concerning the
18 operation of the program. The department shall also submit
19 an annual update concerning the program by October 1 of each
20 year for four years, commencing December 1, 2019. The reports
21 shall include information concerning the number of program
22 participants, the cost of the program including any payments
23 made to participants, the number of state employment positions
24 not filled pursuant to the program, and the number of positions
25 vacated by a program participant that have been refilled with a
26 comparison of the salary of the program participant at the time
27 the position was vacated to the beginning salary of the person
28 who refilled the position.

29 7. Legislative and judicial branch employees.

30 a. The legislative council may provide a retirement
31 incentive program for employees of the legislative branch
32 consistent with the program provided in this section for
33 executive branch employees. If the legislative council
34 provides an incentive program, the legislative council shall
35 collaborate with the department of administrative services to

1 establish the program as required under this section as nearly
2 as identical as possible to the program provided executive
3 branch employees under this section. The program provided
4 pursuant to this paragraph "a" shall establish similar time
5 guidelines and the same benefit calculations as provided under
6 the program for executive branch employees.

7 b. The supreme court may provide a retirement incentive
8 program for employees of the judicial branch consistent with
9 the program provided in this section for executive branch
10 employees. If the supreme court provides an incentive program,
11 the supreme court shall collaborate with the department of
12 administrative services to establish the program as required
13 under this section as nearly as identical as possible to
14 the program provided executive branch employees under this
15 section. The program provided pursuant to this paragraph "b"
16 shall establish similar time guidelines and the same benefit
17 calculations as provided under the program for executive branch
18 employees.

19 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
20 immediate importance, takes effect upon enactment.

21

EXPLANATION

22 The inclusion of this explanation does not constitute agreement with
23 the explanation's substance by the members of the general assembly.

24 This bill establishes a state employee retirement incentive
25 program for eligible employees of the executive branch of the
26 state, including employees in the offices of statewide elective
27 officials, employees of a judicial district department of
28 correctional services, and if the board of regents approves,
29 employees of the state board of regents and its institutions.
30 The bill permits, but does not require, either the legislative
31 branch or the judicial branch to establish an early retirement
32 program consistent with the program provided to executive
33 branch employees in the bill. An elected official, or an
34 employee eligible for an enhanced sick leave conversion program
35 under Code section 70A.23(4) are excluded from participating

1 in the program. The program shall be administered by the
2 department of administrative services (DAS). The bill permits
3 eligible executive branch employees who have completed an
4 application for benefits under the Iowa public employees'
5 retirement system (IPERS) with an intended first month
6 of entitlement of no later than the month following the
7 date eligible employees shall be required to separate from
8 employment, to separate from service with the state and receive
9 a benefit under the program. To receive the incentive benefit,
10 an eligible employee must submit an application to participate
11 in the program by the eligible enrollment date, be accepted to
12 participate in the program by the departments of administrative
13 services and management, separate from state employment within
14 30 days of the eligible enrollment date, and acknowledge the
15 employee's ineligibility to return to employment with the
16 state. The bill defines eligible enrollment date as the date
17 established by DAS, no earlier than 45 days but no later than
18 60 days after the effective date of the bill.

19 The bill provides that the benefit provided to an eligible
20 employee who participates in the program is an amount equal to
21 the entire value of the eligible employee's accumulated but
22 unused vacation plus, if the employee has at least 10 years
23 of state employment, \$1,000 for each year of state employment
24 up to 25 years. The bill provides that this amount shall be
25 payable in five equal installments each year during November
26 beginning in November 2018. In addition, the bill provides
27 that a participant in the program, or the participant's
28 surviving spouse, shall receive a health insurance premium
29 benefit to pay the premium cost for eligible state group
30 health insurance for five years following the participant's
31 termination from state employment. However, the bill provides
32 that a participant shall receive the health insurance premium
33 benefit only when the participant is no longer eligible for,
34 or exhausts, the participant's available remaining value of
35 sick leave used to pay the state share for the participant's

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1 continuation of state group health insurance coverage as
2 provided in Code section 70A.23, subsection 3.

3 The bill further provides that a state employer shall not
4 hire a participant in the program for any employment.

5 The bill takes effect upon enactment.